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The Role of Brief Note and Financial Literacy in Family Financial Management

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Abstract

This study investigates the role of brief note-taking and financial literacy in enhancing family financial management, particularly among women who predominantly manage household finances. Conducted in Lamokato Village, Kolaka Regency, the research applies a pretest-posttest design involving 53 households to assess changes in financial knowledge before and after an educational intervention. The study aims to improve financial awareness, planning, and decision-making to enhance family financial resilience. Initial findings show that 62.3% of respondents demonstrated only moderate financial knowledge, which increased significantly to 94.34% in the good knowledge category after the intervention. The research highlights that financial mismanagement, lack of investment, and debt are key challenges faced by families. By integrating brief note-taking practices—such as tracking expenses—and improving financial literacy, families were better able to plan, allocate resources, save, and even consider investments. The results indicate that structured financial education positively affects the ability of individuals, especially women, to manage their finances effectively. The study also emphasizes the broader importance of financial literacy in preventing financial stress and promoting household well-being, particularly in an era of digital disruption and increasingly consumptive behaviors. This research underscores the need for targeted financial education programs, especially for women, to build sustainable family financial systems. These findings offer valuable insights for policymakers, educators, and community organizations aiming to strengthen financial capacity at the household level.

1. Introduction

The development and progress of the community in Lamokato (Muara) Village is still uneven with research on the role of brief notes and financial literacy is expected to be able to see and be useful for people who need literacy. In this study we examined the scope of family financial literacy. From this brief note and financial literacy is expected to increase awareness in the community to plan smart finances. Effective money management skills, good financial planning, controlling consumptive living, and smart lending decisions, even if it is possible to save or invest.

Having the ability to manage finances (financial literacy) is an important key for every individual and family in daily life and to plan for the future amid economic uncertainty. Brief note and financial literacy is not just a special skill, but a key necessity that is essential for a person to manage their finances. It is important to avoid financial difficulties and be able to manage finances properly (Wiharno, H., et al., 2022). Financial capability is the ability to manage personal financial affairs through objective knowledge. However, in reality, many individuals still face the problem of financial difficulties, debt and financial deficits. Financial deficits due to mismanagement are often the cause of household financial complexity, especially for women who find it difficult to meet family needs or desires. Some of them even try to earn additional income by borrowing or managing a business or home industry, all in the hope of increasing their income and overcoming the financial deficit they face (Buchadi, A. D. et al., 2022)

Many studies have found that in general, individuals have limitations in financial management and lack understanding of basic financial principles (Lusardi, A., & Mitchell, O.S., 2014). The current era of disruption has spawned many new speculations related to finance, including in digital finance. Therefore, it is important to continue to improve brief note and financial literacy amid the emergence of many new speculations about finance in this disruption era. The goal is that individuals can face these new developments with sufficient and adequate understanding (Hafizah, A. et al., 2022). The rise of consumptive patterns due to loose payment methods such as paylater, financial literacy is becoming increasingly important so that people do not get trapped in debt. Empirical studies confirm that good household financial literacy can increase the impact of financial management on improving family welfare. For households that have loans or use credit for consumption, knowing financial management practices is important, especially for employees with personal debt to increase the focus on personal responsibility for financial planning. The results showed that there is a relationship between job insecurity and financial stress, people who have higher financial well-being tend to have lower financial stress. Job insecurity and financial well-being affect stress (Sabri, M. F. et al., 2020). Even in emergencies, the role of women is vital in the decision-making process related to financial money management.

In a family, it is necessary to understand financial allocation so that family finances are not mismanaged, this is what underlies the importance of financial literacy for women. Financial literacy is one of the important skills to be mastered in this century either by individuals or society in order to improve the quality of life and decent living standards (Doni, A., et al., 2017). This fact underlies the importance of this research. This research aims to find solutions due to the lack of financial literacy for women. Women need to manage personal finances because women are in charge of managing family finances. Women usually manage money expenditures such as shopping, saving, charity and investing. Women need to understand and have good abilities and skills so that family finances are not mismanaged. The results of the researcher's initial observations, most of the finances in the family are taken care of by the mother or the woman in the family. This task is to manage finances from planning, managing, and deciding on the importance of family financial allocation skills. Based on this initial observation, researchers will look at the role of brief notes and family financial literacy for financial management, namely how to spend money wisely, set aside money for savings, set aside money for emergency funds and develop money for investment or developed in entrepreneurship (Pajarianto, H. et al., 2019).

Researchers conducted research on how the role of brief notes and financial literacy on women or housewives in the lamokato sub-district. The housewives were selected as respondents using Google Form. The survey results showed that 62.3% of housewives did not do financial planning. This means that the application of brief notes and financial literacy in the aspect of basic financial knowledge in the daily life of housewives.

2. Literature Review

2.1 Brief Note

Brief Note is a method of conveying information in a concise and compact manner, usually used for specific purposes such as providing policy recommendations, informing the development of an issue, or presenting a summary of learning materials. In this theory, the main focus is on efficiency and speed in delivering the message.

Elements of a Brief Note:

a. Focus:
   This theory emphasizes on one main topic and conveys key points related to that topic.
b. Concise:
   Information is presented in a short and concise form, avoiding convoluted language.
c. Purpose:
   A Brief Note has a clear purpose, such as to convey recommendations, inform, or facilitate understanding.
d. Easy to Understand:
   The language used should be easily

understood by the reader, using simple language.

e. Contextual:
Brief Notes can be used in various contexts, such as in the fields of politics, economics, social, health, education, and others

2.2 Financial Literacy

Financial literacy is defined as a person's ability to manage funds to achieve economic security in the future, based on short-term and long-term decisions, to realize better financial management (Gunn, A., 2016). According to OJK, financial literacy has great benefits, namely (1) being able to choose and utilize financial products and services that suit your needs; (2) having the ability to do better financial planning; and (3) avoiding investment activities in unclear financial instruments.

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2.3 Dimensions of Financial Literacy

Financial literacy includes several financial dimensions that must be mastered, including basic financial knowledge, saving and borrowing, insurance, and infestation. Basic financial knowledge is knowledge in managing income and expenses and understanding basic financial concepts. This knowledge includes the calculation of simple interest rates, compound interest, the effect of inflation, opportunity cost, time value of money, liquidity of an asset, and others (Yushita, N. A., 2017). Saving and borrowing is the accumulation of excess funds obtained by deliberately consuming less than income. Savings selection has six factors to consider: rate of return, inflation, tax considerations, liquidity, security, restrictions, and fees.

Insurance is a tool to reduce financial risk, by pooling units of exposure in sufficient numbers to make individual losses predictable. Then, the foreseeable losses are borne equally by those who are members. Infestation is saving or putting money to work so that it can make more money. The way a person often invests is by putting money into securities including stocks, bonds and mutual funds, or by buying real estate.

2.4 Personal Finance Concept

Personal finance management is how individuals and families earn, budget, and manage money while considering all current and future financial risks (Doda, S., & Fortuzi, S., 2015). Personal finance management is the process of financial planning, implementation, and evaluation by individuals or families. Personal finance can improve financial knowledge and build good financial habits in an individual's life Thus, it can be concluded that personal finance is a process of obtaining, planning, managing, and reviewing finances by individuals (Albeerdy, M. I., & Gharleghi, B., 2015).

2.5 Financial Planning Stage

According to the Financial Services Authority in carrying out financial planning, there are several stages of activities that must be carried out, including (1) setting financial goals, namely designing short-term, medium-term, and long-term financial goals to be achieved; (2) analyzing the current financial condition, namely data collection of the current financial situation to see the difference between goals and the initial situation; (3) collecting relevant data, namely searching for data to consider the gap between the current financial condition and the financial goals to be achieved; (4) making financial plans, namely making plans about what must be done so that financial goals can be achieved; (5) implementing financial plans, namely the implementation of previously prepared plans; (6) reviewing the progress of achieving financial targets, namely periodic reviews adjusted to the financial objectives and target time to be achieved (Otoritas Jasa Keuangan, 2016).

3. Research Methods

This research is themed The role of brief note and financial literacy in family financial management .Activities carried out starting in January 2025. The location of the activity is the family in the estuary of Lamokato village, Kolaka sub-district, Kolaka Regency. The stages of the method carried out are as follows.

a. The researcher determines the object under study, namely financial literacy as one of the personal factors that influence financial management.
b. Researchers conducted a pre-survey by distributing forms to 53 families.
c. Researchers determined research informants, namely the lamokato village community (Muara) according to the specified criteria.
d. The researcher then began to make a list of questions related to the role of brief notes and financial literacy in family financial management on informants in accordance with the research objectives.
e. Informants were interviewed by researchers regarding the role of brieg notes and financial literacy in family financial management in everyday life. Researchers used a cellphone as a tool to record answers from informants.
f. The interview results were transcribed into writing to make it easier for natural researchers to process the data.
g. The interview results were then reduced to obtain the desired data. Statements from informants will be adjusted to the theory related to the concept of financial literacy.
h. Researchers analyzed the data obtained from interviews with informants.
i. Researchers discussed the results of data processing related to the role of financial literacy in family financial management.

4. Results and Discussion

This research is themed The role of brief notes and financial literacy in family financial management is carried out with the aim of helping to improve family financial welfare on the basis of good financial management management. Financial literacy is knowledge or how to manage money by understanding banking, investment, personal financial management.

This research begins with an assessment of the field to find problems that are experienced by many families related to family financial management. After that, a collection of problems was compiled and solutions were made by looking at the role of brief notes and financial literacy. There are six problems found from the results of the preliminary study on 8 different families, among others:

Table 1. Problems found from the results of the assessment

Problems found	Family	Percent
Expenses greater than income	8	100%
Difficult to invest	8	100%
Difficult to save	8	100%
Have a loan	8	100%
Do not have an investment	7	87.5%
Do not have a brief note and financial literacy	8	100%

Looking at the existing problems, the plan to help overcome the family's problems is to conduct research with the pretest-posttest method to determine the family's initial knowledge of financial management. Pretest was conducted by distributing family financial management questionnaires. And conduct interviews about the role of brief notes and financial literacy and manage the results of the data obtained. The following are the results of management.

Table 2. Financial Management Pretest – Posttest Results

Knowledge Category	Pretest		Posttest	
	N	%	N	%
Good	3	5,66	50	94,34
Fair	33	62,30	3	5,66
Poor	17	32,10	0	0
Total	53	100,00	53	100,00

The pretest results show that the majority of families know enough about family financial management, as many as 33 families (62.3%). While the posttest results showed an increase in knowledge in a positive or good direction. That is, the increase in family knowledge about family financial management, the majority in the good category, namely 50 families (94.34%).

Information about the brief note and financial literacy in family finance is very useful for a healthy and prosperous family. Managing family finances well is one of the keys to a family's success. Family or household financial management is not as complicated as imagined if one has a good knowledge base.

If household financial management runs properly, then all the needs that must be met will be met properly. The family financial manager can be held by either the wife or the husband. The financial manager is in charge of managing expenses, ranging from funds for operations to credit card installments, children's school fees, vacations, social or religious assistance, to snacks outside the home (Teguh, M. B. et al., 2018). This family financial manager is encouraged to be more creative and careful in matters of spending, because the sustainability of the household depends on how well they manage money.

Family financial management is the art of managing finances carried out by individuals or families to achieve efficient, effective and useful goals, to make a prosperous and sakinah family (Rodhiyah, 2012). Family financial management must be done because family financial management has wider implications because it involves self, wife/husband, children and maybe even parents and in-laws.

The husband as the head of the household as a provider, a friend of life must both understand how to manage his money so as not to fall into the trap of looking for money today to live today (Irawaty, D. K., 2020). So family financial management needs openness between husband and wife, so that each individual does not blame or suspect each other, and each must trust each other and be disciplined.

According to Dakhi, financial management can use the POAC activity method, namely:

a. Planning is a process for presenting family goals and creating appropriate strategies to achieve goals.
b. Organizing is a process to ensure that the arrangement is in accordance with the objectives of the resources and the environment.
c. Actuating is an action taken in order to make efforts so that all planning and goals of the family can be achieved as expected.
d. Controlling is the process of controlling the family to maintain the financial condition.

Financial planning is important, especially for families to achieve a prosperous family. Family targets must be owned so that it is easy to manage family finances. A prosperous family is materially and spiritually fulfilled, and all family members can develop their potential according to their respective talents and abilities. Managing family finances means managing all income or receipts, both routine (continuing) and incidental (intermittent) receipts and routine (continuing) and incidental (intermittent) expenses.

The use of money should not exceed the receipt of money. Sources of funds can be obtained from debt, debt can be a savior god but debt can also be a catastrophe. So a financial manager must be really vigilant and correct in making policies. When there are excess funds a financial manager can make investments for the future, but families must also be careful with fraudulent investments.

5. Conclusion

Based on the results of the pretest-posttest, it was found that the research with the theme of the role of brief notes and financial literacy in family financial management succeeded in increasing family knowledge in lamokato village (Muara) The results showed that there was an increase in knowledge about family financial management, which initially the majority of 62.3% were in the moderate knowledge category to 94.34% of families with good knowledge.

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